

(d) and (e) Four applications meeting the procedural requirements have been received till June, 2001 from various parties for allocation of coal mining blocks for specified end uses after the last meeting of the Screening Committee held on 31.5.01. These applications, along with other such applications, if received subsequently, will be considered by the Screening Committee when it meets next.

**Sale of coal on contract basis**

**†1088. SHRI RAMA SHANKER KAUSHIK:** Will the Minister of COAL be pleased to state:

- (a) whether Government is going to start sale of coal on contract basis shortly;
- (b) if so, the reasons therefor;
- (c) the category of entrepreneurs who will be benefited by this decision;
- (d) whether Government would like to reconsider its decision in the interest of small entrepreneurs;
- (e) if so, the time scheduled thereof; and
- (f) if not, the reasons therefor?

**THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SYED SHAHNAWAZ HUSSAIN):** (a) Sale of coal to non-core sector consumers is being decentralised by Coal India Ltd. (CIL) to its producing subsidiary companies. One option for sale to this sector would be through bilateral agreements to be entered into between the supplying subsidiary company and the customer.

(b) The objective is to ensure commitments on the part of buyer as well as seller.

(c) All categories of customers stand to benefit within the framework of the systems and procedures which are transparent, simplified and customer friendly.

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<sup>†</sup>Original notice of the question was received in Hindi.

(d) to (f) The decision has been taken by the CIL in the overall interest of sellers and buyers, including small entrepreneurs.

#### Austerity measures by coal PSUs

1089. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of COAL be pleased to state:

- (a) whether in a major toning-up operation of coal sector, Government has directed coal PSUs to adopt new austerity measures aimed at improving their bottom line and cutting wasteful expenses;
- (b) if so, what are the main directives issued to them;
- (c) what are the other steps being considered to weed-out corruption in the coal PSUs; and
- (d) to what extent the performances of the coal PSUs has been improved?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SYED SHAHNAWAZ HUSSAIN): (a) and (b) Guidelines on expenditure management and austerity measures have been issued by the Ministry of Coal to Coal India Limited, Neyveli Lignite Corporation Limited and Singareni Collieries Company Limited on 22.11.2000. Broad features of the guidelines are declaration of minimum dividend on equity of 20% or 20% of post tax profits, whichever is higher, issue of bonus to the Government, recovery of cost of services, prevention of time and cost over-runs, rationalization of manpower, mandatory cut in non-plan expenditure, economy in use of vehicles and restriction for purchase of vehicle, 10% cut in posts etc.

(c) The Vigilance Departments of Coal companies make concerted efforts towards preventive vigilance. This is done through surprise inspection of corruption prone areas of activity. Whenever any defect or gap in procedure comes to notice which leaves scope for corruption, immediate steps are taken for remedial action. Further, transfer of executives and staff from the sensitive department is being done periodically by the coal companies.